

# Uncle Sam Wants His Tip in the "Gilded Halls"



On the left—"The Cascades," at the Biltmore.

Above—"The Plaza Grille"

In the circle—Cabaret dancers on the Astor Roof

On the right—"The Waldorf roof garden."

Photos by Brown Brothers.

IT IS proposed to tax the cabarets.

The Federal government has heard the strident "jazz-band" and has seen the "grand patriotic revue" and has felt the jingle of the giddy restaurant dollar. Hence the embodiment in the tax bill of a 10 per cent levy on cabaret expenditures, as approved by the Senate Finance Committee.

Much bitter contention surrounds the levying of these specific war taxes and no one knows until the President signs a measure just what will be its fate in Congress. But the cabaret has been singled out for attention. The cabaret tax section, which the committee estimates would raise between \$2,000,000 and \$3,000,000, reads: A tax of 1 cent shall be collected for

each 10 cents or fraction thereof paid for admission to any public performance for profit at any cabaret or similar entertainment to which the charge for admission is wholly or in part included in the price paid for refreshment service or merchandise; the amount paid for such admission to be computed under rules prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, such tax to be paid by the person paying for such refreshment, service or merchandise.

"On with the dance; let joy be unconfined," as Milton said before he went blind. But if you dance in a cabaret you'll have to pay a tip to Uncle Sam as well as to the hat girl. Uncle Sam's tip is the regulation French and Swiss tip, 10 per cent of the food bill. If you have had a five-

cent beer in a cheap cabaret, presumably your tip will be one-half of a cent.

Before Uncle Sam starts collecting his tips in these "gilded halls" and fashionable roise-factories, the benevolent societies will have taken considerable toll, for already soldiers and sailors in uniform make nightly collections for relief funds of various kinds from the not otherwise well enough punished patrons. The women partners of the male patrons enjoy obliging the latter to dig up quarters and half dollars to jingle on the dancing floor for the "fund" after the "stupendous patriotic review" has done its arduous stint.

The war can be fought in the cabaret trenches by means of this tax, provided this tax, if finally levied, does not put this

form of manufactured happiness out of business. With a tax on booze at the distillery and brewery reservoir, and a tax on indulgence at the cabaret spigot the "grand patriotic reviews" may become less patriotic and more economical.

In whatever case, the cabaret has been discovered by tax genius.

So far as most theatrical managers are concerned, the government may go quite as far as it likes in taxing the cabarets. It may, indeed, quite tax them out of existence. Nor is it hard to fathom this managerial sentiment. The cabarets, it is pointed out by those whose business it is to keep a shrewd tab on figures, are competing with alarming success with the older type of theatrical entertainment. A dis-

cussion of this phase appears in "The Dramatic Mirror".

The plan of Congress to include in the war revenue bill a tax upon cabaret performances is regarded by theatrical managers as a particularly wholesome sign. In the first place it indicates that they will not be compelled to fear the competition of those restaurants where cabarets are the rule to such proportions next year as during the past three seasons. The proposed tax of 10 per cent to be levied upon admission to cabarets, in addition to the higher prices of food made necessary by the war, will tend, the managers believe, to cure the public of its increasingly exclusive admiration for restaurant entertainment, and will send it back to the natural and legitimate place of entertainment—the theatre.

The cabaret has encroached more and more

each year upon the domains of the theatre, to the great alarm of the managers. A restaurant entertainment which comprised in the beginning a few song and dance artists finally grew during last season to the dimensions of musical revues and pageants, which, in many cases, were as elaborately staged as pieces of a similar character on view in the theatres.

Perplexed at the growing competition, the managers took the matter up with the Department of Licenses in an effort to bring to bay certain cabarets which were presenting essentially theatrical entertainment without being taxed for the same. Now, it is understood that no cabarets are operating in the city which do not pay a theatrical license tax. Despite the soaring prices of food, however, the cabarets continue, it is reported, to do a prosperous business.

Next fall a different aspect upon amusement conditions is expected by the managers. They are assuming that the more and more active participation of America in the war, with its consequent regulation of food and its constant demands upon the purse-strings of the people, will show a more conservative attitude on the part of the public.

Herbert C. Hoover has expressly told the Women's Committee of the Defence Council that women could aid in reducing food waste by banning cabarets. This, he said, would alone prevent the waste of millions. Mr. Hoover has sent to the Society of Restaurateurs of New York a telegram urging them to remodel their bills of fare. It is intimated that the abolition of "a la" dishes in the cabaret and other fancy restaurants would save large sums.

## Let War Pay Its Own Way

WAR, "The Outlook" points out, is not all waste, and war's profits ought to be made to finance war. It would seem to be a kind of endless chain, a process allied to the universal processes at work in the vegetable kingdom, for example.

There is colossal destruction, but—

War, the destroyer, is also creator. It makes fruitful lands a waste; it lays villages and towns in ruins, batters down factories, consumes iron and cloth, rubber and leather, grain and meat, and countless other commodities; but it also forces mankind to make waste land fertile, build new industrial centres, double or treble efficiency in manufacturing, and produce with less labor than before a greater quantity of wealth. While impoverishing some men, war enriches others. While draining the nation of many of its most promising lives, it enables the nation, through the discipline of those that remain, to increase in wealth.

History furnishes proof of this truth in abundance. The experience of hosts of people now living verifies and confirms this truth. Scourged by few nations in history have been by war, the Republic of the United States entered, through the Civil War, into a period of prodigious prosperity. Defeated

and humiliated by Prussia in 1871, France, with astonishing resiliency, rose at once to unprecedented economic strength. And today, in the midst of war, it is the testimony of men who know, England is finding her industrial salvation.

Since, then, war is both a producer and a consumer of wealth, the cost of war should legitimately, as far as possible, be paid for out of the wealth that war produces. It is from the reservoirs which war has filled that the government should, for the most part, draw whatever taxes are necessary to pay the cost of the destruction that war wreaks.

This is the principle that should chiefly determine the lines of war taxation.

In England, in the first year of the war, as "Commerce and Finance" points out, all concerns making unusual profit out of the war were taxed 40 per cent, in the second year 60 per cent, and this year 80 per cent. If this country applied that same method on the basis of England's percentage in the first year of the war, the government would, on the face of these figures, receive \$400,000,000 in revenue, and would leave to the corporations over \$600,000,000 more profits than they had three years ago. In other words, these concerns would be growing rich and the government would be getting a large part of its necessary revenue out of the wealth that war had created.

## Capital's Instinct of Self Preservation

THE difficulties of financing the war by taxation arise from the instinct of self-protection operating among the various social interests. These raise successive howls in Congress when the House and Senate committees on Finance examine the various possible sources of taxation.

It is natural to make analogies and to draw parallels. We find one here in British experience as analyzed by "The English Review's" discussion of the new British war budget:

We have now an income tax of 25 per cent and an excess profits tax of 60 per cent. These produced last year \$1,500,000,000.

The budget is now coming on, and the Chancellor of the Exchequer will be asked—indeed already has been asked—to increase the excess profits tax. The working man thinks that he is getting his own back if he hears that all the great capitalists have been compelled to disgorge 60 per cent of their ill-gotten gains. He asks, Why stop at 60 per cent? Why not make the tax 70 per cent or even 80 per cent? And some extremists would go so far as to annex for the benefit of the state the whole of the profits made in excess of the pre-war standard.

The capitalist laughs in his sleeve and says: "Put on any tax you like, I don't care. I don't pay it. You pay it, you poor, deluded workman, ignorant of political economy." Prices have been rising steadily month by month ever since war began. The purchasing power of the pound sterling has

dwindled till to-day a £1 treasury note has deteriorated 9s. The diminishing purchasing power is due partly to the fabulous increase in paper credit, seen in the largely increased bank deposits, which mount up each year many hundred millions; partly to the increased taxation.

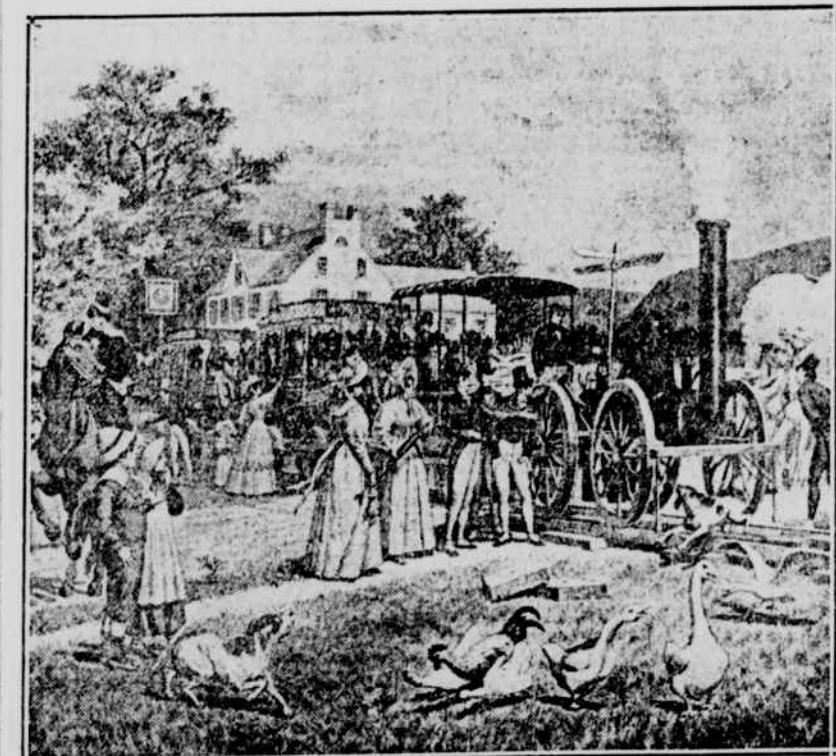
The industrial profits are larger than ever. The excess profits tax is like a snowball. The shell maker adds 60 per cent to cost of making, and usually another 10 per cent for himself. He has to pay the iron or steel maker 60 or 70 per cent more for the steel, and each separate item in his bill of costs is added to by the tax. Now we see why the cost of the war has jumped by millions to its present figure.

We were brave when we all demanded an excess profits tax which should stop profiteering. We must be equally brave in admitting our mistake and cutting it off altogether. It was a hideous blunder.

## Gum

THE war has set the world to chewing American gum. Our exports of chewing gum have grown from a value of \$88,269 in 1913 to \$696,049 for the first nine months of the fiscal year 1917. Exports to all countries during the same period increased from \$186,944 to \$926,560. Soldiers in the trenches of the battlefields of Europe use the gum, there has been a great growth in the habit in the Philippines, and consular officers stationed in Asia, particularly in China, state that there is a market in the Far East.

Canada was at one time the largest purchaser of American made chewing gum, but of late years Europe has far outstripped her.



The First New York Central Express

Photo by Brown Brothers.

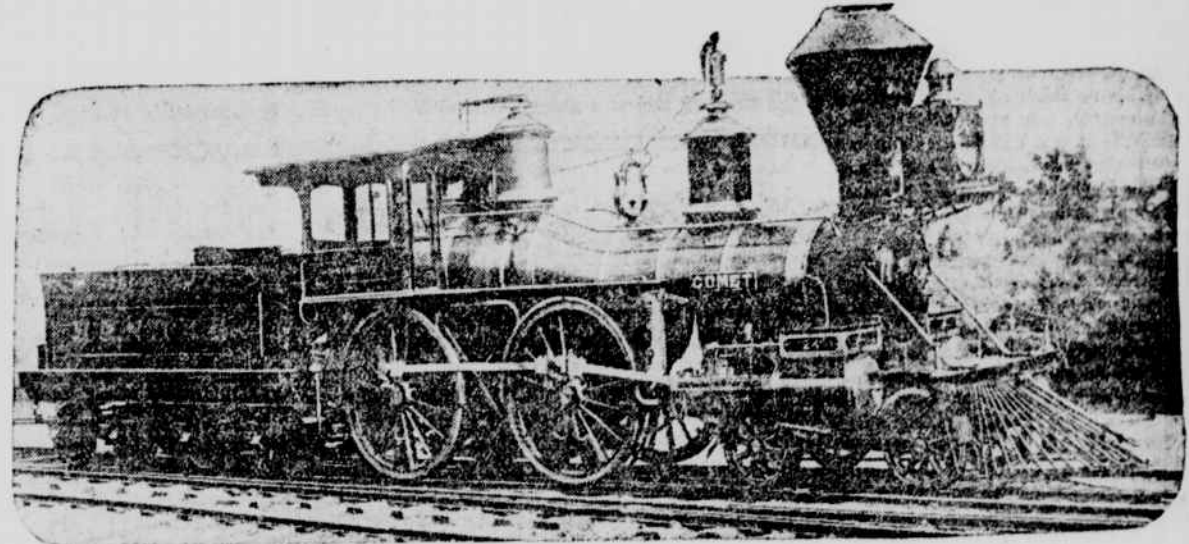
SCIENCE has little regard for appearances. Science finds germs where the architect has put a scroll. Science deplores adornment on the ground that it is irrational and unreasonable. Left to reason alone, the angles and corners of a picturesque world would disappear, because their presence entails a cost in energy for which science can find no corresponding result.

The evidences that a growing rationality is reducing the world's landscape in many directions are not far to seek. There was a day—the early day of steam—when a part of the fascination of broad stretches of uninterrupted prairie was to be found in the occasional ribbon of smoke which a flashing steam locomotive painted across the sky. There was something about the locomotive which fostered the seeds of imagination, not merely because it was going somewhere, but because there were evidences of magic power in smoke and steam and the obvious relationship between the burning fuel and the driving wheels. But the engineers discovered fretfully that steam was a horrible waste of power, and that in the scientific world, where energy is treasure, the steam locomotive was a malefactor of great wealth in the worst degree.

There may still be some fascination for the newcomer in the sight of cars moving through the city on the elevated tracks apparently by some innate power. But the city itself may remember regretfully the funny little dummy engines that

used to pull the cars about on the elevated structures, and sigh over the passing of

## Efficiency, Yes—But Isn't the Glamour Fading?



The Gay, Friendly "Choo-Choo Train" of One's Youth

Photo by Brown Brothers.

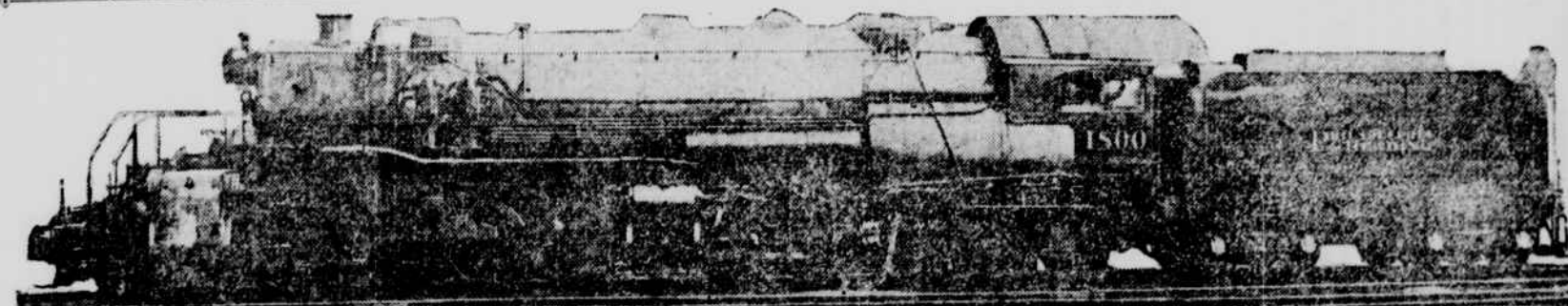
what was picturesque, however inconvenient it may have been. The electrification of terminals is already now an old story in New York, and for miles about the city in some directions the only form of energy used in transportation is electricity.

Now comes the Pennsylvania Railroad with an electric locomotive built like a circus horse car on wheels, a locomotive that does somehow contrive to convey an impression of power and reserve force,

but that, so far as properties of the picturesque are concerned, might as well be a white enameled bathtub or an antiseptic toothbrush.

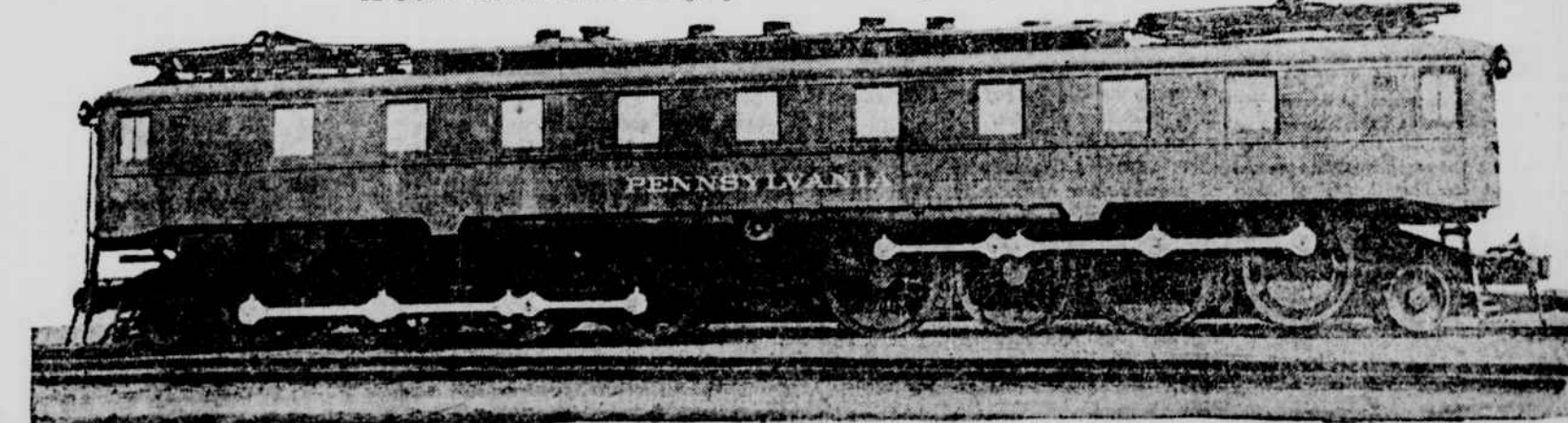
The special application of the new locomotive will be for handling tonnage trains over twenty-four miles of 1 per cent grade and twelve miles of 2 per cent grade from Johnstown to Altoona, Penn. The slope is familiar to travellers chiefly because it contains the Horseshoe Curve.

According to "The Railway Age Gazette," the locomotive is designed to operate on 11,000 volts, single phase, 25-cycle current, taken from an overhead contact wire. Each truck is a motor truck, which receives power from two motors through a spring gear wheel on each side. Each gear wheel is connected to the three drivers by the usual side rods, and the remainder of the drive and running gear is like that used for steam locomotives.



A Giant Locomotive Belonging to the Philadelphia & Reading Railroad

International Film Service.



The Latest Type of Electric Locomotive